

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF SOUTH)	CASE NO. 96-546
KENTUCKY RURAL ELECTRIC COOPERATIVE)	
CORPORATION FROM NOVEMBER 1, 1994)	
TO OCTOBER 31, 1996)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on November 14, 1996 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") for the two years ended October 31, 1996.

As part of this review, the Commission ordered South Kentucky to submit certain information and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. South Kentucky has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. South Kentucky has complied in all material respects with the provisions of Commission Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of South Kentucky, has been authorized to transfer (roll-in) a 0.23 mills per Kwh decrease in its base fuel cost to its base rates.¹

3. South Kentucky should be authorized to transfer (roll-in) a 0.25 mills per Kwh decrease in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.23 mills per Kwh decrease in EKPC's base rates. This transfer can best be accomplished by a negative energy adder to each Kwh sold.

4. The rates and charges in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by South Kentucky through the FAC for the period November 1, 1994 to October 31, 1996 are approved.

2. South Kentucky is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by EKPC from its FAC to its base rates.

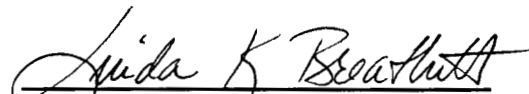
3. The rates in Appendix A are approved for service rendered by South Kentucky on and after September 1, 1997.

4. Within 30 days of the date of this Order, South Kentucky shall file with the Commission revised tariff sheets setting out the rates approved herein.

¹ Case No. 96-522, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 1994 to October 31, 1996.

Done at Frankfort, Kentucky, this 20th day of August, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-546 DATED AUGUST 20, 1997

The following rates and charges are prescribed for the customers in the area served by South Kentucky Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE A RESIDENTIAL, FARM AND NON-FARM SERVICE

Rate:

All KWH Per Month	\$0.05290 Per KWH
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MARKETING RATE - ETS

Rate:

All KWH Per Month	\$0.03174 Per KWH
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SCHEDULE B SMALL COMMERCIAL RATE

Rate:

All KWH Per Month	\$0.05837 Per KWH
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MARKETING RATE - ETS

Rate:

All KWH Per Month	\$0.03502 Per KWH
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SCHEDULE LP
LARGE POWER RATE

Rate:

All KWH Per Month	\$0.03335 Per KWH
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SCHEDULE LP (CONTRACT 11)

Energy Charge

First 3,500 KWH Per Month	\$0.03682 Per KWH
Next 6,500 KWH Per Month	0.03576 Per KWH
Next 140,000 KWH Per Month	0.03468 Per KWH
Next 150,000 KWH Per Month	0.03415 Per KWH
Next 300,000 KWH Per Month	0.03361 Per KWH

SCHEDULE LP (CONTRACT 14)

Energy Charge

First 3,500 KWH Per Month	\$0.03752 Per KWH
Next 6,500 KWH Per Month	0.03582 Per KWH
Next 140,000 KWH Per Month	0.03255 Per KWH
Next 150,000 KWH Per Month	0.03242 Per KWH
Next 300,000 KWH Per Month	0.03232 Per KWH

SCHEDULE LP 1
LARGE POWER RATE
(1,000 KW to 4,999 KW)

Rate:

Energy Charge	\$0.02892 Per KWH
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SCHEDULE LP 2
LARGE POWER RATE
(5,000 KW to 9,999 KW)

Rate:

Energy Charge

Per KWH for the first 400 KWH per KW of Billing Demand	\$0.02892 Per KWH
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Per KWH for all remaining KWH	0.02291 Per KWH
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SCHEDULE LP 3
LARGE POWER RATE - (1,000 KW to 2,999 KW)

Rate:

Energy Charge	\$0.02411 Per KWH
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SCHEDULE OPS
OPTIONAL POWER SERVICE

Rate:

Energy Charge	
All KWH Per Month	\$0.06494 Per KWH

SCHEDULE STL
STREET LIGHTING SERVICE

Rate Per Light Per Month:

Mercury Vapor or Sodium	
7,000 - 10,000 Lumens	\$ 3.63
Mercury Vapor or Sodium	
15,000 - 28,000 Lumens	5.57

SCHEDULE DSTL
DECORATIVE STREET LIGHTING

Rates Per Light Per Month

High Pressure Sodium Lamp

Cobra Head Light Installed on Existing Pole	
7,000 - 10,000 Lumens (Unmetered)	\$ 8.70
7,000 - 10,000 Lumens (Metered)	7.68
15,000 - 28,000 Lumens (Unmetered)	10.88
15,000 - 28,000 Lumens (Metered)	8.28

Cobra Head Light Installed on 30' Aluminum Pole & Arm

7,000 - 10,000 Lumens (Unmetered)	\$ 14.33
7,000 - 10,000 Lumens (Metered)	13.31
15,000 - 28,000 Lumens (Unmetered)	15.91
15,000 - 28,000 Lumens (Metered)	13.31

Lexington Light Installed on 16' Aluminum Pole

Sodium 7,000 - 10,000 Lumens (Unmetered)	\$ 9.25
Sodium 7,000 - 10,000 Lumens (Metered)	8.23

Acorn Light Installed on 16' Fluted Pole

Sodium 7,000 - 10,000 Lumens (Unmetered)	\$19.48
Sodium 7,000 - 10,000 Lumens (Metered)	18.46

SCHEDULE OL
OUTDOOR LIGHTING SERVICE
SECURITY LIGHTS

Rate Per Light Per Month:

Mercury Vapor or Sodium		
7,000 - 10,000 Lumens	(Metered)	\$ 4.63
7,000 - 10,000 Lumens	(Unmetered)	5.43
Directional Flood Light	(Metered)	5.88
Directional Flood Light	(Unmetered)	8.52

SCHEDULE TVB
UNMETERED COMMERCIAL SERVICE

Class and Rates Per Month:

Cable TV Amplifiers	
(75 KWH Per Month)	\$ 7.01